The 2021 Budget Bill of the Argentine Republic was sent to the National Congress

Guzmán: "The budget defines a path of reconstruction to get up and walk again"

✓ The two fundamental principles:

- 1) Macroeconomic stabilization: Promoting economic recovery with an expansive fiscal policy scheme and a State that plays a fundamental role in protecting the most vulnerable sectors, encouraging the domestic market, and promoting growth in production and exports. These are crucial areas for our country to sustain growth.
- Fiscal sustainability: It will require a consistent effort to achieve a fiscal balance compatible with inclusive growth.

✓ The structural objectives of the National Government:

Building a sustainable development model in economic, social and political terms that simultaneously meets 5 structural conditions: inclusion, dynamism, stability, federalism and sovereignty.

✓ The main definitions of the 2021 Budget

The 2021 Budget is realistic and it is based on prudent assumptions about the future development of the domestic economy.

Main macroeconomic assumptions of the 2021 Budget

Variable	2020	2021	2022	2023
GDP	-12,1%	5,5%	4,5%	3,5%
Private Consumption	-13,6%	5,5%	4,7%	3,6%
Public Consumption	-2,1%	2,0%	2,2%	2,0%
Investment	-25,6%	18,1%	10,1%	6,6%
Exports	-14,2%	10,2%	6,5%	5,3%
Imports	-21,9%	16,3%	10,0%	7,7%
CPI (eop)	32,0%	29,0%	24,0%	20,0%
FX (eop)	81,4	102,4	124,8	146,6
Balance of Trade	17.260	15.087	14.302	12.928

The objective primary deficit is 4.5% of GDP.

• It is a level that guarantees the sustainable recovery of activity and employment and the strengthening of public investment in strategic areas.

Received by NSD/FARA Registration Unit 9/16/2020 9:15:14 AM

- It is an adequate and affordable level in terms of financing, compatible with macroeconomic stability and consistency.
- The dynamics of public income and spending will tend to normalize with respect to the exceptional nature of 2020 in the framework of the COVID-19 pandemic.

Public revenue will show a robust recovery

- The economic recovery offers a raised floor for tax collection at the national level.
- The Argentine Solidarity and Productive Reactivation Act was central so that in 2021 we can have the necessary resources to boost activity and employment.
- We continue working on a tax reform that will improve the distribution of income. This reform is not contemplated in the 2021 Budget Bill.

The State will have an active role in the reconstruction process.

- The 2021 Budget is not an adjustment budget.
- Real primary spending will grow compared to 2020 without extraordinary expenses due to COVID-19 (+ 7.6% YoY in real terms) and compared to 2019 (+ 10.1% YoY in real terms)
- The only thing that will suffer a strong adjustment in 2020 is the burden of interest on the debt on the National Government, which allows us to allocate many resources to recovering public investment in strategic areas that have been delayed.

2021 Budget Pillars

- ✓ The 2021 Budget Bill contains strategic priorities such as reactivating production, creating employment, strengthening the innovation capacity of Argentines, and strengthening the education and health sector.
- ✓ In addition, for the first time in Argentine history, the Budget is gender-responsive and observes diversity.
- ✓ These strategic priorities are reflected in the 6 pillars of our public investment policy in 2021:

於 #1 Pillar - Productive and social infrastructure

• Infrastructure will once again be an engine of the economy, job creation and competitiveness of Argentine companies with an inclusive and federal criterion.

• In 2021, we will double the real investment in productive and social infrastructure compared to 2019, based on a planned investment of \$ 835 billion or 2.2% of GDP.

🖈 #2 Pillar - Innovation and Development

- A sustainable recovery requires not only demand policies but also supply or production policies. It will be vital to financially support our companies during this recovery stage where a structural change is so necessary, especially in the entire SME network. Along these lines, we will restore the value of our scientific and technological system after the neglect of 2016-2019.
- In 2021, we will increase real investment in innovation and development by 160% compared to 2019, based on a planned investment of \$ 187 billion or 0.5% of GDP that will allow us to sustain the extraordinary real expenditure level of 2020.

🖈 #3 Pillar - Public Health

- The pandemic has made the need for a national, federal and inclusive health system more visible than ever. The first step was to recover the Ministry of Health. Now we will consolidate the strengthening of Argentine public health based on a comprehensive investment plan that will include financing the COVID-19 vaccine and will pay special attention to the most vulnerable sectors of our society.
- In 2021, we will increase real investment in Public Health by 49% compared to 2019, based on a planned investment of \$ 199 billion or 0.5% of GDP.

#4 Pillar - Education and Connectivity

- In 2021 we will begin a gradual and prudent path towards complying with the Education Financing Law that seeks to bring investment in national and provincial education to 6% of GDP (last observed in 2015). We will once again revitalize Argentine public education through the strengthening of physical and digital infrastructure, children connectivity, and teacher education and training.
- \bullet In 2021, we will increase real investment in Education and Connectivity by 11% compared to 2019, based on a projected investment of \$ 483 billion or 1.3% of GDP.

\$\text{\$\psi}\$ #5 Pillar - Active social inclusion

After an unprecedented investment in 2020 to mitigate the social effects of the 2018-19 crisis
and the COVID-19 pandemic, in 2021 there will be a leap in value in the social inclusion policy
thanks to a consolidation of transfers to the most vulnerable sectors and the construction of
bridges with the labor market. Recovering upward social mobility is a mandate of this
Government.

Received by NSD/FARA Registration Unit 9/16/2020 9:15:14 AM

• In 2021, we will increase our real investment in Active Social Inclusion by 49.5% compared to 2019, based on a projected investment of \$ 270 billion or 0.7% of GDP.

🖈 #6 Pillar – Gender and Diversity

- The 2021 Budget is, for the first time in the country's history, a budget with a gender perspective. We have managed to build a budget that contains a methodology that makes it possible to make visible the effort made by the Government to close inequality gaps while expressing concrete initiatives in this direction and an inclusive and diverse political definition.
- In 2021, we will increase the real investment in Gender and Diversity by almost 1,350% compared to 2019, based on a projected investment of \$ 6.205 billion.